

FILED

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF MARYLAND  
(Baltimore Division)

FEB 19 2001

CLERK'S OFFICE  
U. S. BANKRUPTCY COURT  
DISTRICT OF MARYLAND  
BALTIMORE

In re:

FRANK'S NURSERY & CRAFTS, INC., et  
al.,

Debtors.

Case No. 01-502145-<sup>JS</sup> THROUGH 01-52416-JS  
(Chapter 11)  
(Jointly Administered)

\* \* \* \* \*

**DEBTORS' MOTION TO EXTEND TIME TO FILE SCHEDULES  
AND STATEMENTS AND NUMBERED LISTING OF CREDITORS**

Frank's Nursery & Crafts, Inc. ("Frank's") and FNC Holdings, Inc. ("FNC"), the above-captioned debtors and debtors in possession herein (collectively, the "Debtors"), by counsel, file this Motion to Extend Time to File Schedules and Statements and Numbered Listing of Creditors (the "Motion"), and in support thereof state:

**Jurisdiction**

1. This Court has jurisdiction over this Motion pursuant to 28 U.S.C. §§ 157 and 1334. Venue lies properly in this Court pursuant to 28 U.S.C. §§ 1408 and 1409. This matter is a core proceeding pursuant to 28 U.S.C. § 157.

2. The relief sought with this Motion is based upon section 521 of title 11 of the United States Code, 11 U.S.C. §§ 101 et. seq. (the "Bankruptcy Code") and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules").

**The Chapter 11 Cases**

3. On the date hereof (the "Petition Date"), each of the Debtors filed a voluntary petition in this Court for relief under chapter 11 of the Bankruptcy Code. The Debtors continue in possession of their respective properties and the management of their respective businesses as debtors in possession pursuant to sections 1107 and 1108 of the Bankruptcy Code.

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4. By motion submitted to the Court concurrently herewith, the Debtors seek entry of an order authorizing the procedural consolidation and joint administration of these cases.

**The Debtors and Their Business Operations**

5. Frank's, founded in 1949, operates the largest United States chain (as measured by sales) of specialty retail stores devoted to the sales of lawn and garden products. Lawn and garden products include green and flowering plants for outdoor and indoor usage, live landscape products such as trees and shrubs, fertilizers, seeds, bulbs, gardening tools and accessories, planters, watering equipment, garden statuary and furniture, wild bird food and feeders, mulches and specialty soils. Frank's also is a leading retailer of Christmas Trim-A-Tree merchandise, artificial flowers and arrangements, garden and floral crafts, and home decorative products. FNC (formerly known as General Host Corporation) is the sole shareholder of Frank's.

6. As of February 9, 2001, Frank's operated 217 retail stores in 15 states, primarily in the Mid-Atlantic, Midwest and Northeast. At that time, an additional 44 stores were being closed as part of a previously announced plan to sell under-performing store locations. In its fiscal year ending January 28, 2001, Frank's had sales of approximately \$435 million. Currently, the Debtors employ approximately 1,900 full-time and 5,000 part-time employees. As of November 5, 2000, the Debtors had total assets of approximately \$471.9 million and total debt of approximately \$338 million.

7. The Debtors' sales are seasonal. The lawn and garden revenues are concentrated principally in the Spring and, to a lesser extent, in the Fall. The Trim-A-Tree sales occur between Thanksgiving and Christmas.

8. During most of the first half of 2000, weather patterns negatively impacted lawn and garden product sales across the Debtors' principal markets. During the third quarter of 2000, the Debtors decided to close 44 under-performing stores, liquidate their inventories, and sell the closed stores owned by the Debtors. Later in 2000 it became apparent that the Debtors' Trim-A-Tree holiday season sales were below expectations, which was consistent with the general softness in sales at retailers during this period.

9. In 2001, notwithstanding excess borrowing availability under their existing bank credit facilities, the Debtors were unable to draw down sufficient funding to meet the Debtors' working capital needs because the Prepetition Lenders asserted that various conditions to borrowing had not been met. (The Prepetition Lenders, however, did provide limited funding subject to various conditions.) Also, in the relatively short period since access to their credit facilities had been curtailed, the Debtors were unable to secure additional funding to meet those working capital needs. Ultimately, the Debtors determined the most appropriate method to obtain such financing and achieve their restructuring objectives was through chapter 11 filings.

#### **Relief Requested**

10. Pursuant to 11 U.S.C. § 521(1), a debtor must file with the applicable court a listing of all creditors and a schedule of all assets and liabilities. Pursuant to Bankruptcy Rule 1007(a)(1), a chapter 11 debtor must file with its voluntary petition a list setting forth the names and addresses of each creditor (the "Creditor List"), unless the petition is accompanied by a schedule of liabilities.

11. The Debtors have filed with their petitions, on computer diskettes, a consolidated Creditor List (the "Consolidated Creditor List") in lieu of filing a separate list of all

creditors for each Debtor.<sup>1</sup> Hard copies of the Consolidated Creditor List will also be filed with the Clerk of the Court.

12. Bankruptcy Rule 1007(c) requires the Debtors to file their Schedules and Statements within 15 days of the Petition Date.

13. As noted above, the Debtors' business is large and complex with operations in fifteen (15) states and thousands of known and potential creditors. Hence, the Debtors were unable to complete and file the Schedules and Statements on the Petition Date.

14. Due to: (a) the substantial size and scope of Debtors' business; (b) the complexity of their financial affairs; (c) their limited staff available to perform the required internal review of their business and affairs; and (d) the press of numerous matters incident to the commencement of these cases, the Debtors submit that the fifteen (15) day automatic extension of time to file the Schedules and Statements under Bankruptcy Rule 1007(c) will not be sufficient. Indeed, it would be onerous, if not impossible, to complete the Schedules and Statements within said deadline.

15. The substantial size, scope and complexity of these cases, as well as the volume of material that must be compiled and reviewed by Debtors limited staff provide ample "cause" justifying the requested extension for filing the Schedules and Statements.

16. After consultation with the Office of the U.S. Trustee, Debtors believe a sixty (60) day extension of the deadline beyond the fifteen (15) days provided under Bankruptcy Rule 1007(a) to file the Schedules would be appropriate at this time. The Debtors request that

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<sup>1</sup> By motion filed concurrently herewith, the Debtors have sought authorization: (i) to file a consolidated list of creditors (without claim amounts) along with the equity security holder list maintained by its record agent, in lieu of label matrices; (ii) to themselves serve pleadings and notices in these cases; (iii) to serve all first day pleadings upon the Debtors' thirty (30) largest unsecured creditors on a consolidated basis; and (iv) for certain other relief.

such extension be without prejudice to their right to seek one or more further extensions of this deadline from the Court, or to seek a waiver of the requirement for filing certain schedules. Additionally, Debtors will work with the U.S. Trustee and any subsequently appointed Creditors' Committee to make available sufficient financial data and creditor information to permit at least an initial 341 meeting to be timely held.

**Conclusion**

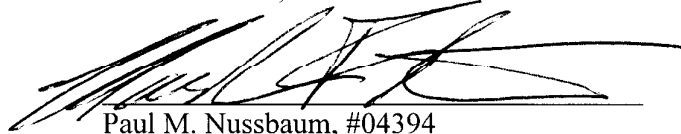
**WHEREFORE**, the Debtors respectfully request entry of an order of this Court:

(i) extending to sixty (60) days beyond the fifteen (15) days provided under Bankruptcy Rule 1007(a) to file the Schedules; (ii) extending to sixty (60) days beyond the fifteen (15) days provided under Bankruptcy Rule 1007(a) to file the numbered listing of creditors; and (iii) granting the Debtors such other and further relief as this Court deems just and proper.

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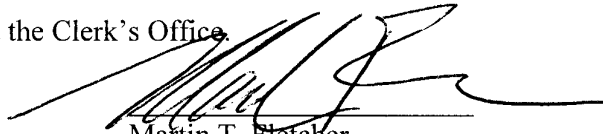


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**CERTIFICATE OF SERVICE**

I certify that on this 19<sup>th</sup> day of February, 2001, a copy of the foregoing pleading was sent by the means indicated and to the parties identified on the Omnibus Certificate of Service filed concurrently with this pleading. In order to expedite the copying and transmittal of pleadings to parties in interest, a copy of the Omnibus Certificate of Service was not transmitted with the pleading. Any party desiring a copy of the Omnibus Certificate of Service may contact the undersigned or may review the original at the Clerk's Office.

  
Martin T. Fletcher